



UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

April 2022 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

KHANH KIM NGUYEN,

Defendant.

No. 8:22-cr-00088-PA

I N D I C T M E N T

[18 U.S.C. § 1343: Wire Fraud;  
18 U.S.C. § 1957: Laundering Money  
Instruments; 18 U.S.C.  
§ 1001(a)(2): False Statements;  
18 U.S.C. §§ 981(a)(1)(C) and 982  
and 28 U.S.C. § 2461(c): Criminal  
Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. §§ 1343, 2(a)]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Indictment:

**Economic Injury Disaster Loan Program**

1. The Economic Injury Disaster Loan ("EIDL") program was a Small Business Administration ("SBA") program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The Coronavirus Aid, Relief,

1 and Economic Security ("CARES") Act -- a federal law enacted in or  
2 around March 2020 to provide emergency financial assistance to  
3 Americans suffering economic harm from the COVID-19 pandemic --  
4 authorized the SBA to provide EIDLs to eligible small businesses  
5 experiencing substantial financial disruption due to the COVID-19  
6 pandemic. EIDL proceeds could be used for payroll expenses, sick  
7 leave, production costs, and business obligations, such as debts,  
8 rent, and mortgage payments.

9       2. In order to obtain EIDL proceeds, a qualifying small  
10 business had to submit an application to the SBA and provide  
11 information about its operations. EIDL applications were submitted  
12 directly to the SBA. If the application was approved, the amount of  
13 the loan was determined based, in part, on the information provided  
14 by the applicant. The entity that applied for the EIDL proceeds  
15 could also request that the SBA provide an advance or emergency grant  
16 of \$1,000 for each person that the entity employed, up to \$10,000.

17       3. Following the submission of the application, and prior to  
18 and as a condition of the disbursement of the loan, the applicant had  
19 to sign a Loan Authorization and Agreement ("LA&A"), certifying that,  
20 among other things, the loan proceeds would be used solely for that  
21 applicant's existing business's working capital to alleviate economic  
22 injury caused by disaster occurring in the month of January 31, 2020  
23 and continuing thereafter. EIDL proceeds were issued directly by the  
24 SBA and initiated in Denver, Colorado.

25 B. THE SCHEME TO DEFRAUD

26       4. Beginning in or around April 2020, and continuing through  
27 in or around August 2020, in Orange County, within the Central  
28 District of California, and elsewhere, defendant KHANH KIM NGUYEN,

1 together with others known and unknown to the Grand Jury, each aiding  
2 and abetting the other, knowingly and with the intent to defraud,  
3 devised, participated in, and executed a scheme to defraud the SBA as  
4 to material matters, and to obtain monies, funds, assets, and other  
5 property owned by and in the custody and control of the SBA by means  
6 of material false and fraudulent pretenses, representations, and  
7 promises, and the concealment of material facts.

8       5. The fraudulent scheme operated and was carried out, in  
9 substance, as follows:

10           a. On or about April 2, 2020, defendant NGUYEN would  
11 electronically apply to the SBA for an EIDL loan on behalf of Shark  
12 Investments, Inc. ("Shark"), a California corporation, falsely  
13 representing and certifying, among other things, that defendant  
14 NGUYEN was the "100%" owner of Shark, and requesting an advance of up  
15 to \$10,000.

16           b. On or about June 7, 2020, after a \$3,000 advance had  
17 already been disbursed to defendant NGUYEN, defendant NGUYEN would  
18 electronically execute and submit to the SBA an LA&A, falsely  
19 representing and certifying, among other things, that Shark would  
20 "use all the proceeds of this Loan solely as working capital to  
21 alleviate economic injury caused by disaster occurring in the month  
22 of January 31, 2020 and continuing thereafter."

23           c. Defendant NGUYEN would cause the SBA, through the  
24 United States Department of the Treasury, to rely on defendant  
25 NGUYEN's false representations and certifications in the LA&A, and on  
26 or about June 10, 2020, to credit a Chase Bank account ending in  
27 3801, in the name of Shark that defendant NGUYEN controlled, with  
28 approximately \$90,900 in EIDL proceeds.

1           d.     From approximately June 2020 to August 2020, defendant  
2 NGUYEN would use the EIDL proceeds to purchase a wholly separate  
3 restaurant business -- which consisted of a California Department of  
4 Alcoholic Beverage Control license, furniture, fixtures, equipment,  
5 inventory, and goodwill -- in Westminster, California ("Westminster  
6 Business") for a purchase price of approximately \$80,000.

7     C.     USE OF THE WIRES

8           6.     On or about June 10, 2020, in Orange County, within the  
9 Central District of California, and elsewhere, for the purpose of  
10 executing the above-described scheme to defraud, defendant NGUYEN,  
11 and others known and unknown to the Grand Jury, each aiding and  
12 abetting the other, caused the transfer of approximately \$90,900 --  
13 which was issued by the SBA and initiated in Denver, Colorado -- to a  
14 Chase Bank account ending in 3801 -- which defendant NGUYEN opened in  
15 Orange County, California -- by means of wire communication in  
16 interstate commerce.

COUNT TWO

[18 U.S.C. §§ 1957, 2(a)]

1. Paragraphs 1 through 3, and 5, of Count One of this Indictment are realleged and incorporated here.

2. On or about June 11, 2020, in Orange County, within the Central District of California, and elsewhere, defendant KHANH KIM NGUYEN, together with others known and unknown to the Grand Jury, each aiding and abetting the other, knowing that the funds involved represented the proceeds of some form of unlawful activity, engaged in a monetary transaction in and affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, which property, in fact, was derived from specified unlawful activity, that is, Wire Fraud, in violation of Title 18, United States Code, Section 1343, as charged in Count One of this Indictment. Specifically, defendant NGUYEN transferred \$50,000, of which no less than \$25,000 was fraudulently obtained EIDL proceeds, from a Chase Bank account ending in 3801 to a Chase Bank account ending in 1597, both of which accounts defendant NGUYEN controlled.

COUNT THREE

[18 U.S.C. §§ 1957, 2(a)]

1. Paragraphs 1 through 3, and 5, of Count One of this Indictment are realleged and incorporated here.

2. On or about August 3, 2020, in Orange County, within the Central District of California, and elsewhere, defendant KHANH KIM NGUYEN, knowing that the funds involved represented the proceeds of some form of unlawful activity, engaged in a monetary transaction in and affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, which property, in fact, was derived from specified unlawful activity, that is, Wire Fraud, in violation of Title 18, United States Code, Section 1343, as charged in Count One of this Indictment. Specifically, defendant NGUYEN transferred \$45,000 in fraudulently obtained EIDL proceeds from his Chase Bank account ending in 3801 to an escrow company's Hanmi Bank account ending in 1468 to purchase a business property.

COUNT FOUR

[18 U.S.C. § 1001(a)(2)]

1. Paragraphs 1 through 3, and 5, of Count One of this Indictment are realleged and incorporated here.

2. On or about November 9, 2021, in Orange County, within the Central District of California, in an interview affecting a federal investigation into illegal gambling locations in Orange County, within the Central District of California, and in a matter within the jurisdiction of the executive branch of the government of the United States, namely, the Federal Bureau of Investigation ("FBI") and Internal Revenue Service-Criminal Investigation ("IRS-CI") in Orange County, defendant KHANH KIM NGUYEN knowingly and willfully made a materially false statement and representation to the FBI and IRS-CI, knowing that this statement and representation was untrue. Specifically, defendant NGUYEN falsely stated that he had not used the EIDL proceeds for any purpose other than to pay rent, utilities, and employee payroll. In fact, as defendant NGUYEN then knew, defendant NGUYEN used at least a portion of the EIDL proceeds to purchase the Westminster Business in or around August 2020.

FORFEITURE ALLEGATION ONE

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

1. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), in the event of the defendant's conviction of the offense set forth in Count One of this Indictment.

2. The defendant, if so convicted, shall forfeit to the United States of America the following:

(a) All right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offense; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), the defendant, if so convicted, shall forfeit substitute property, up to the value of the property described in the preceding paragraph if, as the result of any act or omission of the defendant, the property described in the preceding paragraph or any portion thereof:

(a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.



FORFEITURE ALLEGATION TWO

[18 U.S.C. § 982]

1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal Procedure, notice is hereby given that the United States will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 982(a)(1), in the event of the defendant's conviction of the offense set forth in any of Counts Two and Three of this Indictment.

2. The defendant, if so convicted, shall forfeit to the United States of America the following:

(a) Any property, real or personal, involved in any such offense, and any property traceable to such property; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), and Title 18, United States Code, Section 982(b)(2), the defendant, if so convicted, shall forfeit substitute property, if, by any act or omission of the defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty. Substitution of assets shall not be ordered, however, where the convicted defendant acted merely as an intermediary who handled but did not retain the property in the

1 course of the money laundering offenses unless the defendant, in  
2 committing the offenses giving rise to the forfeiture, conducted  
3 three or more separate transactions involving a total of \$100,000.00  
4 or more in any twelve-month period.

5  
6 A TRUE BILL

7  
8 /s/  
9 Foreperson

10 TRACY L. WILKISON  
11 United States Attorney

12 

13 SCOTT M. GARRINGER  
14 Assistant United States Attorney  
15 Chief, Criminal Division

16 BENJAMIN R. BARRON  
17 Assistant United States Attorney  
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19 DANIEL H. AHN  
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22 Santa Ana Branch Office

23 DANIEL S. LIM  
24 Assistant United States Attorney  
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